

67-19-14.2. Unused Sick Leave Retirement Option Program -- Creation -- Payout upon eligibility for allowance -- Continuing medical and life insurance benefits after retirement.

(1) (a) There is created the "Unused Sick Leave Retirement Option Program I."

(b) An agency may offer the Unused Sick Leave Retirement Option Program I to an employee who is eligible to receive a retirement allowance in accordance with Title 49, Utah State Retirement and Insurance Benefit Act.

(2) The Unused Sick Leave Retirement Option Program I provides that upon becoming eligible to receive a retirement allowance an employee who was employed by the state prior to January 1, 2006:

(a) receives a contribution under Subsection (3) for 25% of the employee's unused accumulated sick leave accrued prior to January 1, 2006, at the employee's rate of pay at the time of retirement; and

(b) may purchase additional continuing medical and life insurance benefits in accordance with Subsection (4).

(3) (a) Subject to federal requirements and limitations, the contribution under Subsection (2)(a) shall be transferred directly to the employee's defined contribution plan qualified under Section 401(k) of the Internal Revenue Code which is sponsored by the Utah State Retirement Board.

(b) If the amount calculated under Subsection (2)(a) exceeds the federal contribution limitations, the employee's unused accumulated sick leave hours representing the excess shall be used for the purchase of continuing medical and life insurance benefits under Subsection (4).

(4) (a) An employee may purchase continuing medical and life insurance benefits, at the rate of one month's coverage per policy for eight hours of unused sick leave remaining after the contribution of unused sick leave under Subsection (2)(a).

(b) The medical coverage level for member, two person, or family coverage that is provided to the member at the time of retirement is the maximum coverage level available to the member under this program.

(c) The purchase of continuing medical and life insurance benefits at the rate provided under Subsection (4)(a) may be used by the employee to extend coverage:

(i) until the employee reaches the age of eligibility for Medicare; or

(ii) if the employee has reached the age of eligibility for Medicare, continuing medical benefits for the employee's spouse may be purchased until the employee's spouse reaches the age of eligibility for Medicare.

(d) An employee and the employee's spouse who are or who later become eligible for Medicare may purchase Medicare supplemental insurance at the rate of one month's coverage for eight hours of the employee's unused sick leave per person.

(5) (a) The continuing medical and life insurance benefits purchased by an employee under Subsection (4):

(i) may not be suspended or deferred for future use; and

(ii) continues in effect until exhausted.

(b) An employer participating in the Program I benefits under this section may not provide medical or life insurance benefits to a person who is:

(i) reemployed after retirement; and

(ii) receiving benefits under this section.

Amended by Chapter 277, 2013 General Session